



COLORADO


Division of Reclamation,
Mining and Safety

Department of Natural Resources

MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Durham Sand & Gravel Pit	MINE/PROSPECTING ID#: M-1978-056	MINERAL: Sand and gravel	COUNTY: Weld
INSPECTION TYPE: Monitoring	INSPECTOR(S): Peter S. Hays	INSP. DATE: March 2, 2017	INSP. TIME: 10:00
OPERATOR: Varra Companies, Inc.	OPERATOR REPRESENTATIVE: Brad Janes, Brad Jones	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$300,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 7, 2017	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

The Durham Sand & Gravel Pit was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The site was previously inspected by the Division on December 12, 2013. Mr. Brad Janes and Mr. Brad Jones with Varra Companies, Inc. (Varra) were present during the inspection.

The mine identification sign was posted at the entrance of the site and the mine boundaries were well defined as required by Rule 3.1.12.

The Division currently holds a financial warranty in the amount of \$300,000.00, which appears adequate to complete reclamation based on the observations from this inspection. The approved post-mining land use for the site is general agriculture. The Operator plans to submit an amendment in the future to change the post-mining land use to developed water resource. The Operator has dedicated water shares to account for the long term augmentation requirement for the exposed groundwater.

The site is permitted for 229.89 acres and is divided into four Tracts; A, B, C and D. The site was active during the inspection. Tract A is located in the southeast corner of the site. The tract was dewatered to allow mining excavation in the pit floor. The majority of the tract has been mined and reclamation has begun on the pit slopes. The dewatering pumps for the site are located in the southeast corner of the tract.

Tract B is located in the southwest corner of the site. The southern portion of the tract was partially fill with groundwater. The northern portion of the tract contains the concrete batch plant, processing plant and material stockpiles.

Tract C is located in the northeast corner of the site. The tract was dewatered to allow mining excavation in the pit floor. The majority of the east and west portions of the tract have been mined and reclamation has begun on the pit slopes. The middle of the tract contained a processing plant and material stockpiles. The processing plant will be relocated in the future to allow the area to be excavated.

Tract D is located in the northwest corner of the site. The tract was being backfilled with wash fines and a large stockpile of material was located along the east boundary of the tract. The north boundary of the tract consists of the required flood control berm, which was repaired following the 2013 flood event.

The site operations and status were well documented by the Operator in the 2016 annual report and map. No problems were noted during the inspection. Photographs taken during the inspection are attached.

Inspection Contact Address

Mr. Brad Janes
Varra Companies, Inc.
8120 Gage Street
Frederick, CO 80516

Ec: Wally Erickson, DRMS

PHOTOGRAPHS



Durham Sand and Gravel Pit mine sign



View of site from SE corner of Tract A looking west



View of site from SE corner of Tract A and dewatering infrastructure looking northwest



View of site from NE corner of Tract A looking southwest



View of site from SW corner of Tract D looking northeast



View of site from SE corner of Tract B looking north at batch plant